

Waitaki District Council

# 2022-23 Annual Report Pūroko ā-Tau

Summary Document





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# Contents

<b>Message from the Mayor and CE</b>	<b>4</b>
<b>Strategic framework</b>	<b>6</b>
<b>Opportunities for Māori to contribute to the decision-making process</b>	<b>7</b>
<b>Our planning and reporting cycle</b>	<b>8</b>
<b>Measuring our performance</b>	<b>9</b>
Annual Residents' Survey	10
Council, Democracy and Accountability	11
Economic Development	13
Property	14
Heritage, Environment and Regulation	16
Roads and Footpaths	18
Water Services	19
Recreation Services	21
Waste Management and Minimisation	23
Arts, Culture and Community	24
Council Controlled Organisations	26
<b>Financial overview</b>	<b>36</b>
Summary of financial statements	38
Notes to financial statements	39
<b>Independent Auditor's Report</b>	<b>42</b>



# Message from the Mayor and Chief Executive

Kia ora koutou,

We are pleased to present you with Waitaki District Council's 2022-23 Annual Report Summary.

This is an opportunity for us to let you know how Council performed between 1 July 2022 and 30 June 2023, which was Year 2 of our 2021-31 Long Term Plan (LTP).

Reflecting on the past year, we're incredibly proud of the progress Council has made towards achieving positive outcomes for the district, particularly as we've continued to navigate challenging and uncertain times. Like most of New Zealand, Waitaki faced heightened social and economic pressures throughout 2022-23, many of which stemmed from the continued effects of COVID.

The pandemic dramatically increased demand for health and social services within the district and acted as a catalyst for the ongoing supply chain issues, skill shortages, and rapidly increasing inflation and interest rates which have contributed to the unprecedented increases we've seen in residents' costs of living and in costs of providing goods and services to our community in 2022-23.

This combination of pressures has at times made for a challenging financial year for Council. We have had to reprioritise some of our work to reduce proposed spending.

Amidst these challenges, Council continued to invest in maintaining the core infrastructure and services which serve the foundational needs

of Waitaki's communities, as well as projects which support and promote social, economic, environmental, and cultural wellbeing within the district.

## Financial result

The 2022-23 financial year was a challenging one. We finished the year with a \$11.228 million deficit, significantly lower than the \$5.358 million budgeted surplus. This is due to both less revenue and higher expenditure than was forecast for the year.

Council activities have begun to bounce back after the impact of the COVID pandemic, and the Council received significant funding to support capital projects and emergency work required to our roading infrastructure and Alps to Ocean cycle trail.

However, as the Sports and Events Centre redevelopment project did not proceed as expected during the year, significant budgeted revenue related to the project was not received. It is now expected that this project will begin in late 2024. As noted above, we have had to contend with unprecedented increases in the costs of providing goods and services to our community. This has occurred in most areas of the business.



Council's assets are valued on a regular basis. Our roading infrastructure was valued during the 2022-23 financial year and the \$97,409 million increase in value (against a budgeted \$44,750 million increase) reflects the significant investment we continue to make in our infrastructure assets, as well as the present economic situation. The Council's property and parks assets and the Oamaru airport were all valued in the 2021-22 year, while water, sewer, and stormwater assets were valued in 2020-21.

Significant investment in infrastructure is being made and key assets are being maintained. The level of external borrowings is \$4.185 million higher than budgeted due to the increased costs and timing of capital work being performed.

Despite the challenging year, Council is in a sound financial position overall. We will continue to review our costs from an operational perspective, prioritise our capital projects, and manage our debt levels carefully through this period of financial pressure. We are conscious of the cost pressures that our community are under and will continue to strive to ensure that ratepayers receive the best value for their money.

## A view forward

Overall, we have been moved by the resilience, teamwork, and innovation displayed by Waitaki's communities in 2022-23.

We would like to extend our thanks to all of Waitaki for their collective efforts towards achieving positive outcomes for the district this year. Every individual counts – Council could not carry out our activities without your support.

Looking ahead, we have plenty to look forward to within the district, both in the 2023-24 financial year, and beyond. The upcoming 2024-34 LTP is an opportunity for us to progress the district even further over the next 10 years.

We want to make Waitaki the best place to be – whenua taurikura



Alex Parmley  
Chief Executive

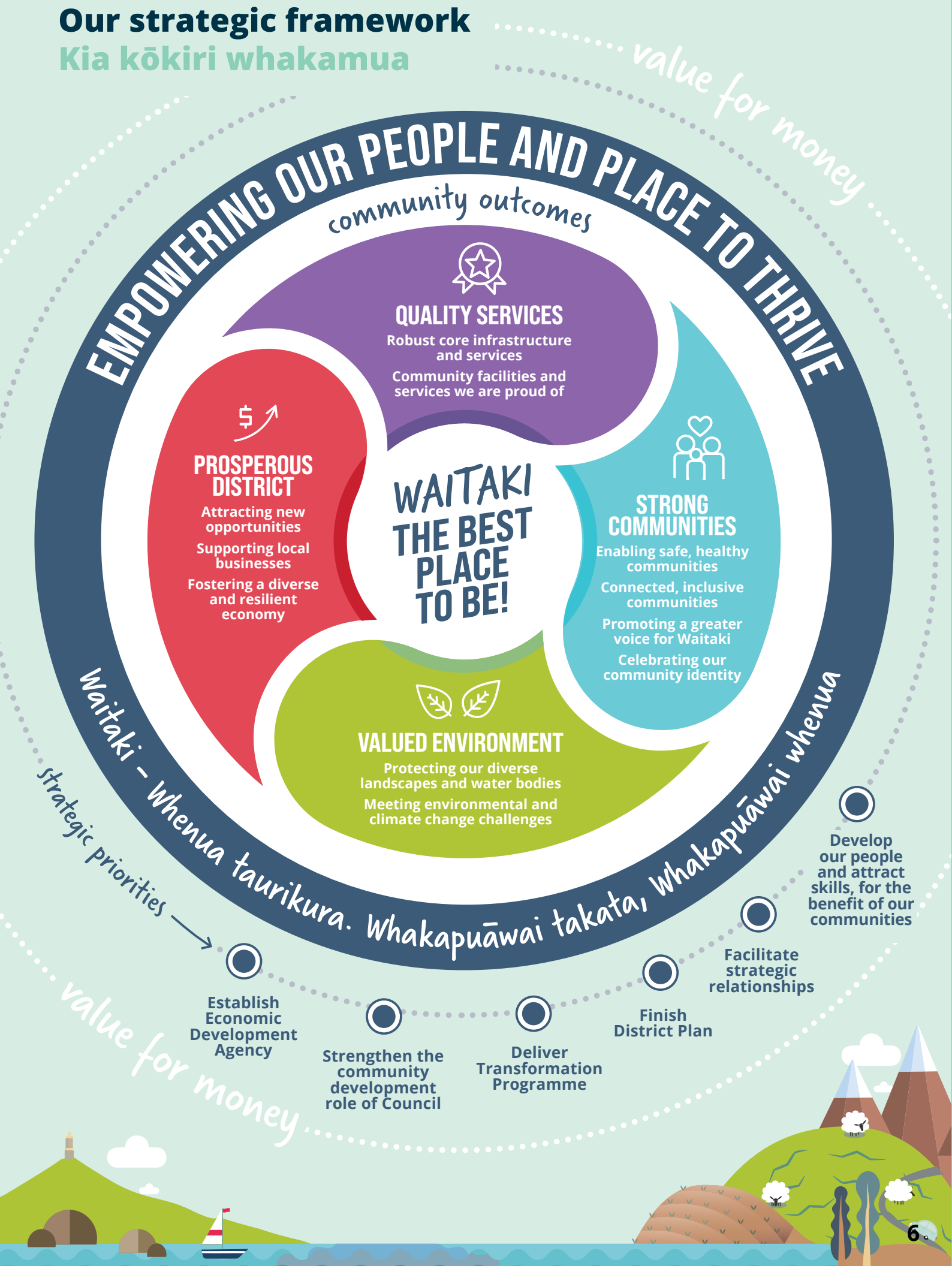


Gary Kircher  
Mayor for Waitaki



# Our strategic framework

## Kia kōkiri whakamua





# Opportunities for Māori to contribute to the decision-making process

## Existing arrangements

Waitaki District Council acknowledges Māori as people with whom there is a special relationship. Council is committed to giving effect to the principles and intent of Te Tiriti o Waitangi and to engaging in genuine and appropriate consultation with Māori.

Council acknowledges that Te Rūnanga o Ngāi Tahu is the representative of Ngāi Tahu Whānui and that where any enactment requires consultation with any iwi or any iwi authority, that consultation shall, with respect to matters affecting Ngāi Tahu Whānui, be held with Te Rūnanga o Ngāi Tahu.

Waitaki District Council and Te Rūnanga o Moeraki have a signed Memorandum of Understanding (MoU). The MoU sets out mechanisms and processes that will promote and facilitate effective consultation and liaison between Council and the Rūnanga.

Waitaki District Council is also a signatory to Te Rōpū Taiao Otago Governance Charter which formalises the relationship between the Papatipu Rūnanga and the local authorities of the Otago region. The committee primarily deals with higher level decision making concerning environmental resource management within local government.

Council continues to focus on its wider role, including:

- Encouraging Māori contribution to decision-making processes of all Council activities, not simply decisions under the Resource Management Act.
- Reference to Māori rather than to takata whenua, thus including mana whenua and taura.
- Reference not only to enabling contribution to decision-making, but also to fostering Māori capacity to contribute.



# Our planning and reporting cycle

We're committed to our vision of making the Waitaki District the best place to be – whenua taurikura! Council writes an Annual Report for each financial year to let you know how we did towards achieving this vision. The 2022-23 Annual Report is just one part of a bigger picture...



## Long Term Plan (LTP)

### Te Pae Tawhiti

Council writes a Long Term Plan every three years to set our strategic direction, levels of service, programme of activities, budget, and measures of success for the 10 years ahead. Council's most recent Long Term Plan is the 2021-31 Long Term Plan, which can be found on Council's website at [www.waitaki.govt.nz](http://www.waitaki.govt.nz). The 2022-23 Annual Report is measuring our performance against Year 2 of the 2021-31 Long Term Plan.

## Annual Plan (AP)

### Mahere ā-Tau

In each of the two years between developing a Long Term Plan, Council prepares an Annual Plan. Annual Plans take a fresh look at what was set in the Long Term Plan, to determine whether any changes need to be made in order for Council to keep the commitments it made to looking after the district's community wellbeing for the year ahead. The 2022-23 Annual Report is measuring our performance against the 2022-23 Annual Plan, which can also be found on Council's website at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

## Annual Report (AR) → We are here!

### Pūroko ā-Tau

Council writes an Annual Report at the end of each financial year – our financial year ends on 30 June every year. Our Annual Reports let you know how we did against our most recent Long Term Plan and Annual Plan, including how we progressed on our planned programme of activities, and what our actual financial position was compared with what was forecast for the year. The 2022-23 Annual Report is for the financial year ended 30 June 2023 and is reporting on the 2022-23 Annual Plan, or Year 2 of the 2021-31 Long Term Plan. The full 2022-23 Annual Report can be found on Council's website at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).



# Measuring our performance





# Annual Residents' Survey

Each year we survey our residents to find out how we're doing. The questions asked in the survey cover the majority of our activities and help us to understand what we're doing well and where we need to improve.

The key findings of this year's annual residents' survey reflect the challenging environment in which we are currently living. While most of the key performance measures remain on par with the 2021-2022 financial year, there has been a decline in perception of overall Council performance (down 10% to 35% in 2023) and overall reputation (down 7% to 39% in 2023).

Some measures remain at high levels. For example, levels of satisfaction with the district's libraries (85%), levels of satisfaction with the Ōamaru Opera House (86%), levels of satisfaction with parks and reserves (82%), and levels of satisfaction with the Waitaki Aquatic Centre (77%). In addition to this, 84% of survey respondents rated quality of life in Waitaki as either 'good' or 'excellent.'

Below is a summary of the results of the 2022-23 Annual Residents' Survey. If you would like to read the full results of the survey, you can find them at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

## Resident satisfaction survey results

Residents' are most satisfied with:

### Ōamaru Opera House



**86%**

of residents are satisfied with the Ōamaru Opera House

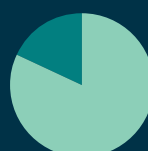
### Libraries



**85%**

of residents are satisfied with the services provided by the Waitaki District Libraries

### Parks and Reserves

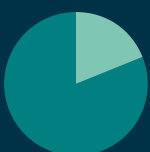


**82%**

of residents are satisfied with Waitaki's parks and reserves

We need to improve on:

### Sealed roading network



**19%**

of residents are satisfied with the sealed roading network

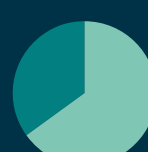
### Community consultation



**34%**

of residents are satisfied with Council's consultation with Waitaki's communities

### Public toilets



**65%**

of residents are satisfied with the district's public toilet facilities



# Council, Democracy and Accountability

Council and Community Boards are governance bodies forming a vital link between communities and Council staff who manage assets and activities.

Elected representatives give voice to the interests of Waitaki's diverse communities when Council sets its outcomes and makes decisions for our district. This is to ensure what Council does serves the best interests of our communities both now and in the future.

## Our specific community outcomes are:



### Strong Communities

- By providing opportunities to participate in democratic local decision making, through representation on Community Boards, Council, and by consultation.
- By providing advice and encouraging initiatives to support existing and new economic activity and diversification across the district.



### Quality Services

- By providing governance structures, planning, and reporting to provide cost-effective, good quality infrastructure, public services, and regulatory functions.



### Prosperous District

- By providing advice and encouraging initiatives to support economic activity and diversification across the district.

## Performance measures:

We have 5 performance measures, all of which were not achieved:

**40%** of residents are satisfied with the leadership and direction provided by the Mayor and Councillors (*Target = 70%*).

**✗ Not achieved**  
[2021-22 = 52%]

**37%** of residents are satisfied the Ahuriri Community Board is making a positive difference (*Target = 60%*).

**✗ Not achieved**  
[2021-22 = 31%]

**30%** of residents are satisfied the Waihemo Community Board is making a positive difference (*Target = 60%*).

**✗ Not achieved**  
[2021-22 = 40%]

**34%** of residents are satisfied with Council's consultation with the community (*Target = 60%*).

**✗ Not achieved**  
[2021-22 = 44%]

**57%** of residents are satisfied with communication from Council (*Target = 60%*).

**✗ Not achieved**  
[2021-22 = 67%]



## 2022-23 highlights

### Local Elections 2022

The inauguration of the 12th Waitaki District Council took place on Tuesday 25 October 2022, following the Local Government Elections which were held on Saturday 8 October 2022. The 12th Waitaki District Council comprises of Mayor Gary Kircher, Deputy Mayor (and Councillor) Hana Halalele, and Councillors Brent Cowles (Ahuriri Ward), John McCone (Corriedale Ward), Guy Percival (Corriedale Ward), Tim Blackler (Ōamaru Ward), Jeremy Holding (Ōamaru Ward), Jim Hopkins (Ōamaru Ward), Courtney Linwood (Ōamaru Ward), Rebecca Ryan (Ōamaru Ward), and Jim Thomson (Waihemo Ward).



### Community engagements

Various community engagements took place in 2022-23, including engagement on the Draft Waitaki District Plan, the Draft Interim Speed Management Plan, the Draft 2023-24 Annual Plan, and on New Ways to Support Economic Growth in Waitaki. A good volume of feedback was received from individuals and communities on each of these matters.

### Submissions to Central Government

National discussion around the direction and proposed reforms of Local Government continued throughout 2022-23. Council made several submissions to Central Government in relation to proposed changes it would be affected by.

### Community Boards

The Ahuriri and Waihemo Community Boards continued to provide funding support for local community-led initiatives, including their annual funding contributions towards the Waitaki Valley Community Society / Kurow Museum and the Waihemo Heritage Trust / Palmerston Museum.

### Setting direction

- Pre-Election Report published 14 July 2022
- Uplifting Waitaki Hāpaitia te Waitaki Economic Development Strategy adopted 20 September 2022
- Risk Management Policy adopted 28 February 2023
- 2022-25 Standing Orders adopted 28 February 2023
- 2022-25 Code of Conduct adopted 28 February 2023
- 2023-25 Otago Local Authorities' Triennial Agreement ratified 28 February 2023
- 2023-25 Canterbury Local Authorities' Triennial Agreement ratified 28 February 2023
- Updated Strategic Framework adopted 26 April 2023
- Updated Procurement Policy adopted 26 April 2023
- 2021-22 Annual Report and Summary adopted 9 May 2023
- 2023-24 Fees & Charges agreed 9 May 2023
- Property Strategy adopted 30 May 2023
- Climate Change Risk Framework Part 1: Climate Change Projections adopted 30 May 2023
- 2023-24 Annual Plan adopted 27 June 2023



# Economic Development

Part of Council's leadership involves supporting and enabling sustainable, inclusive growth within the district to improve community wellbeing. This is achieved through a range of economic development activities.

## Our specific community outcomes are:



### Prosperous District

→ By providing advice and encouraging initiatives to support existing economic activity and diversification across the district.

## 2022-23 highlights

### Waitaki Economic Development Strategy (WED) Strategy

Council adopted the Uplifting Waitaki Hāpaitia te Waitaki Economic Development (WED) Strategy, co-designed with Te Rūnanga o Moeraki, in September 2022, following engagement with local businesses. Community engagement on implementation of the strategy took place between 6 April 2023 and 7 May 2023, receiving 200 submissions, which will help to inform Council's next steps.

### Waitaki Whitestone Geopark (WWG)

On 25 May 2023, the Executive Board of UNESCO officially endorsed WWG as New Zealand's first and Australasia's only UNESCO Global Geopark. An application to the Tourism Innovation Fund (TIF) to develop a business case for the feasibility of a Geopark Discovery Hub was successful. Council, Tourism Waitaki Ltd, and WWG will match Central Government's contribution of \$25,000 towards the hub.

### Promoting the Waitaki District

The 'About Waitaki' section on Council's website was refreshed to more actively promote Waitaki as an attractive place to live, work, do business, and explore. A dedicated page promoting local business stories is also now included.

## Performance measures

We have 2 performance measures, both of which were achieved:

Secured agreed levels of Central Government funding for Waitaki-based projects (\$25k of TIF secured to develop a business case for a Waitaki Whitestone Geopark (WWG) Discovery Hub; \$1.695m of Better-Off funding secured to support Council's programme of placemaking work; \$685k of Better-Off funding secured to support Council's 'Forward Waitaki' programme over the next three years).  
(Target = Secure \$250,000).



### Achieved

[2021-22 = Achieved]

Delivered agreed volume of collaborative projects with local businesses, organisations, and iwi (Engagement on implementing the WED Strategy; Partnership with Business South to contract a Business & Enterprise Growth Lead; Developing a Waitaki Destination Management Plan; Collaborating on Neat Places campaign; Two Country House Hunters: New Zealand programmes filmed in the Waitaki District; Supporting the filming of a drama series in Ōmārama; Inaugural Inspire Waitaki event; 'Inspiring the Futures' high school programme).

(Target = 3 or more projects).



### Achieved

[2021-22 = Achieved]



# Property

Our Property activity covers property management and investment and provides a property advisory service for the Council organisation.

The property unit supports the administration of Council and facilitates opportunities for new and existing businesses and economic development initiatives. The unit also manages Council property investment and supports the lifestyle and experience of the district's residents and visitors.

## Our specific community outcomes are:



### Strong Communities

→ By providing quality community housing to elderly and vulnerable people in our community.



### Quality Services

→ By providing properties that meet the needs of the community, meaning that people are more likely to want to stay and they will encourage others to move here.



### Prosperous District

→ By effectively managing the property portfolio, meaning returns are maximised and rates input is minimised.



### Valued Environment

→ By enhancing development in keeping with the town's heritage, creating a unique experience that residents are proud of, and which attracts visitors.

## Performance measures

We have 4 performance measures, 3 of which were achieved, and 1 of which was not achieved:

**94%** of community housing tenants are satisfied with their tenancy (*Target = 90%*).

✓ **Achieved**  
[2021-22 = 89%]

**100%** of commercial tenants are satisfied with their tenancy (*Target = 90%*).

✓ **Achieved**  
[2021-22 = 89%]

**95%** of community housing units are occupied (*Target = 90%*).

✓ **Achieved**  
[2021-22 = 97%]

**88%** of commercial tenancies are occupied (*Target = 90%*).

✗ **Not achieved**  
[2020-21 = 100%]



## 2022-23 highlights

### Community Housing

Council welcomed 14 new tenants to its community housing units throughout 2022-23, representing a tenant turnover of 15%. The programme of rolling renewals for vacant units continued, with all vacated units being assessed and renovated where applicable. The programme of healthy homes upgrades across our community housing complexes also continued, to ensure compliance with the Healthy Homes Standards.

### Operational buildings

Several of Council's operational buildings received attention throughout 2022-23. Stage two of the cultural facilities development project on the Waitaki Museum & Archive building was completed and the Ōamaru branch of the Waitaki District Libraries received a heating upgrade, which was the final project towards retiring the existing electric boiler system. Restoration of the Ōamaru Opera House dome was also completed in the 2022-23 financial year.

### Commercial buildings

The Property Management & Investment Team focused on finalising lease renewals and rent reviews for our commercial buildings, with a view to increasing revenue for Council. As a result, all rent reviews and lease renewals are up to date or are in the process of finalising.

### Ōamaru Airport

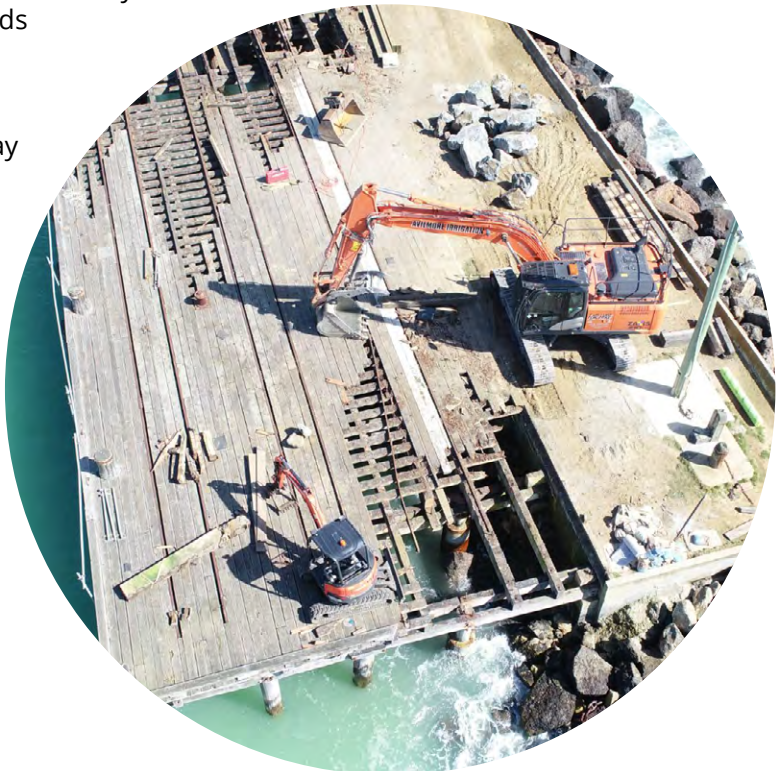
All lease renewals and rent reviews for the Ōamaru Airport are also up to date, as well as maintenance of the airport runways and grounds. Council staff began work towards developing an Airport Strategic Masterplan.

### Property Strategy

Council adopted a Property Strategy on 30 May 2023, which provides an updated strategic direction for Council's properties.

### Ōamaru Harbour

Investment in the Ōamaru Harbour continued in 2022-23. Holmes Wharf structural and deck replacement work was completed and a larger carparking area was formed at the entrance of the wharf. In addition, depleted rock revetment was replenished in the inner harbour to protect against erosion.







# Heritage, Environment, and Regulation

**Council works to create a district where residents feel safe and protected.**

We want our natural environment to be protected and sustainable, have appropriate emergency services, and to ensure Council business is conducted in a transparent, prudent, and efficient manner.

## Our specific community outcomes are:



### Quality Services

→ By having a fully functional Emergency Operations Centre and trained and competent emergency management personnel to ensure we play an active role in supporting and coordinating emergency responses in the district.



### Strong Communities

→ By ensuring buildings are safe and do not pose a risk to the public.

→ By ensuring food for sale to the public is prepared in safe premises that meet food hygiene regulation.

→ By ensuring the threat to the community from nuisance or dangerous dogs or wandering stock is minimised.

→ By playing an active role in the Safer Waitaki Coalition.



### Prosperous District

→ By ensuring consents and licences are processed accurately, efficiently, and within statutory timeframes.

→ By ensuring sufficient land is zoned for business, commercial, and rural activities.



### Valued Environment

→ By resolving commercial and domestic environmental impacts.

→ By monitoring approved resource consents and conditions to minimise environmental impact and promote sustainable land management.

→ By introducing a new District Plan to incorporate better provisions for the protection of the environment.

## Performance measures

We have 19 performance measures, 12 of which were achieved, and 7 of which were not achieved. Below are some of the key performance measures:

**100%** of building consents were processed within 20 working days (*Target = 100%*).

✓ **Achieved**  
[2021-22 = 100%]

The average timeframe for processing Building Consents was **7 working days** (*Target = 15 working days*).

✓ **Achieved**  
[2021-22 = 8 working days]

We **maintained** Building Consent Authority Status (*Target = Maintain*).

✓ **Achieved**  
[2021-22 = Maintained]

**28.78%** of dog owners in the district have a selected owner status (*Target = 33%*).

✗ **Not achieved**  
[2021-22 = 25.79%]

**72%** of residents are satisfied that Waitaki is a safe place to live (*Target = 80%*).

✗ **Not achieved**  
[2021-22 = 82%]



## 2022-23 highlights

### Heritage & Planning

Engagement on the Draft Waitaki District Plan took place from 1 June to 31 August 2022, with over 320 people or groups providing feedback. Staff and consultants have since been working through the feedback received to provide recommendations for Council to consider before the plan is publicly notified in early 2024.

### Regulatory and Environmental

Council reviewed its Compliance & Enforcement Policy and explored the option of introducing a Diversion Policy to deal with minor compliance breaches, which would allow Council to adequately remediate breaches of the Waitaki District Plan and RMA 1991 without having to take formal enforcement action such as prosecution.

### Building Services

Council's Building Consent Authority (BCA) Team issued 611 building consents in 2022-23, to a total value of \$86.3m. Council's BCA Team continued to be a national leader for building consent processing times, with an average processing time of seven working days per consent in 2022-23. A new 'Build' portal was developed on Council's website to allow customers to have a more efficient and transparent view of the consenting and inspection process.

### Community Development

The Community Development Team continued its focus on building capability within communities, which resulted in 100% of the first cohort of Māori and Pasifika students in the Build Capability Waitaki programme successfully completing their tertiary studies and graduating with a Bachelor of Applied Management. In addition to this, 70 people were placed into employment opportunities through the Mayor's Taskforce for Jobs community employment outcome programme.

A Welcoming Communities Advisory Group was established in 2022-23, with the appointment of a Welcoming Communities Coordinator enabled by funding from MBIE. The Community Development Team / Stronger Waitaki also coordinated and facilitated cultural competency workshops for Council staff and members of the community.

The Healthy Homes for All Strategy was progressed further, with an evaluation and monitoring framework developed and a Housing Solutions Advisor appointed to drive the project forward.

These are just some highlights from what was a very full and rich programme of work carried out by the Community Development Team in 2022-23, aimed towards building a vibrant culture, recognising and understanding diversity, and maintaining a safe and welcoming environment for residents, newcomers, and visitors in the Waitaki District.





# Roads and Footpaths

Roads and footpaths are an integral part of our district. The ease of movement of heavy goods and tourism activities are key to the district's economic activity and these activities are reliant on our roading network. Our roads also provide access and connectivity to properties, places, and people.

## Our specific community outcomes are:



### Quality Services

- By providing roads and footpaths that are safe, effective, efficient, accessible, and fit for purpose for people and goods.
- By providing transport networks and services that are safe.



### Prosperous District

- By ensuring roading activities are managed efficiently and effectively.



### Valued Environment

- By acknowledging and incorporating the natural environment in design, construction, operation, and maintenance of infrastructure.
- By making sure activities are consistent with environmental standards, guidelines and best practice.

## 2022-23 highlights

A new roading maintenance contract commenced on 1 October 2022, with Whitestone Roding Ltd having secured the performance outcome contract for an initial term of five years. The contract includes utilising Small and Medium Sized Enterprises (SMEs) from within the district, equivalent to 30% of the monthly allocated value of works.

Council completed 33 out of 34 Road to Zero road safety intersection improvement projects and carried out seal widening on Weston-Ngapara Road and Seven Mile Road. A shared path was constructed on Weston Road between Saleyards Road and Essex Street.

Phase 1 of the Interim Speed Management Plan for 30km/hr speeds around schools was implemented and included in the National Speed Limit Register. Signage to reflect the new speeds will be put up in the new financial year.

July and August 2022 were very wet months in the Waitaki District, particularly in the Ahuriri Ward, where the bridge off State Highway 8 to Lake Ōhau was washed out. Further events were experienced throughout the year, which culminated in a repair bill of \$3.2 million. Waka Kotahi funded \$2.1 million towards the repairs and the balance was funded out of Council's disaster fund. The repairs to the road network have since been completed.

## Performance measures

We have 12 performance measures, 3 of which were achieved, and 9 of which were not achieved. Below are some of the key performance measures:

There was **1 fatality**, an increase of 1 from the prior year (*Target = A reduction in the number of fatalities*).



**Not achieved**  
[2021-22 = 0]

There were **3 serious injuries**, a decrease of 5 from the prior year (*Target = A reduction in the number of serious injuries*).



**Achieved**  
[2021-22 = 8]

**19%** of residents are satisfied with the condition of Waitaki's non-State Highway sealed roads (*Target = 60%*).



**Not achieved**  
[2021-22 = 43%]

**24%** of residents are satisfied with the condition of Waitaki's non-State Highway unsealed roads (*Target = 50%*).



**Not achieved**  
[2021-22 = 28%]

**97%** of footpaths within the district meet the specified level of service (*Target = 96%*).



**Achieved**  
[2021-22 = 98%]

**86%** of requests for service relating to roads and footpaths were responded to within agreed timeframes (*Target = Greater than 90%*).



**Not achieved**  
[2021-22 = 84%]



# Water Services

Water services are fundamental for the health and wellbeing of our community. Council aims to provide these services in a safe and reliable way that is affordable for ratepayers.

## Our specific community outcomes are:



### Quality Services

- By providing safe drinking water to agreed areas which meets the New Zealand Drinking Water Standards.
- By providing infrastructure which protects people and property from flooding events.
- By providing a timely response to service requests and system failures.
- By providing community reticulated systems in agreed areas.



### Prosperous District

- By planning for and building 3 Waters infrastructure which has capacity for growth.



### Valued Environment

- By meeting obligations of 3 Waters consents.
- By providing infrastructure that treats and disposes of wastewater and stormwater in an environmentally sensitive and sustainable way.
- By acknowledging and incorporating the natural environment in design, construction, operation, and maintenance of infrastructure.

## 2022-23 highlights

### Affordable Water Reform

Navigating the Affordable Water Reform (previously the Three Waters Reform) was a continued focus for all of Council's water services activities in 2022-23. When Council planned its 2022-23 Annual Plan, it was working on the knowledge that water services would be transferred to the new entity by 1 July 2024.

An announcement in April 2023 indicated changes to the reform programme, which included a delayed transfer date. Council has elected to transition with the water services entity encompassing Canterbury and Westland Councils and to transfer its water-related assets and liabilities on 30 June 2025 so that, from this date, Council will no longer deliver water-related services or own the assets required to deliver these services.

## Performance measures

We have 19 performance measures, 11 of which were achieved, and 8 of which were not achieved. Below are some of the key performance measures:

The total number of complaints received about drinking water was **23 per 1,000 connections** to Council's networked reticulation system (*Target = Fewer than 25 per 1,000 connections*).



### Achieved

[2021-22 = 14 per 1,000 connections]

The average consumption of drinking water per day per resident within the Waitaki District was **524 Litres** (*Target = Less than 500 Litres per day average consumption of drinking water per resident*).



### Not achieved

[2021-22 = 522 Litres per day average consumption of drinking water per resident]

There were **no flooding events** in the Waitaki District (*Target = 0*).



### Achieved

[2021-22 = There were no flooding events]

The total number of complaints received by Council about issues related to sewerage such as odour or system blockages, and Council's response to issues, was **9 per 1,000 connections** (*Target = Fewer than 12 complaints per 1,000 connections*).



### Achieved

[2021-22 = 6]



Following the General Election held on 14 October 2023, a new coalition government will be formed, one of whose election policies was to repeal the current legislation passed by the outgoing government establishing the above mechanisms. As a result, there is uncertainty as to the future of Council's water, wastewater, and stormwater services.

### **Water Supply**

Work started on developing an Ōamaru Water Supply Strategy, based on detailed analysis gained from the Ōamaru Water Capacity Study Design Basis which was completed in 2022. The strategy will provide a long-term masterplan detailing capacity requirements for the entire water supply system, including whether new plants are required and if the existing plant in Ōamaru should be upgraded, and if so, when.

In addition to projects planned in the 2021-31 Long Term Plan / 2022-23 Annual Plan, we continued work on completing projects which received \$7.46 million through the Government's Three Waters Reform Tranche One Funding. These projects were selected to improve water supply resilience, quality, and capacity across multiple supplies.

Staff worked closely with the Maheno Water Committee throughout 2022-23 to progress the transfer of ownership and management of the Maheno Water Supply to Council from 1 July 2023. The supply was successfully owned and operated by the Committee for more than 80 years, but the changing legislative landscape and increasing requirements saw the Committee approach Council to take over the supply.

### **Stormwater**

A contract was procured in 2022-23 to carry out CCTV inspections of various stormwater mains within the Ōamaru stormwater network. The work started in June 2023 and will help Council to understand the condition of the stormwater network so that we can plan our renewal programme going forward.

### **Wastewater**

Improvements were made to the wastewater treatment plants around the district throughout 2022-23, including doubling the aeration capacity at the Ōamaru plant to improve treatment capacity. A number of improvements were also made to the Palmerston Wastewater Dispersal Field, funded using Tranche One funding.





# Recreation Services

Our greenspaces, sports fields, walking and cycling tracks, and other recreational facilities provide many opportunities for people to enjoy different activities and events.

We provide and manage affordable, safe, and attractive sports and recreational facilities, amenities, and services that lead to a happier, healthier, and better-connected community.

## Our specific community outcomes are:



### Quality Services and strong communities

- By providing parks, gardens and greenspaces, sports and recreation facilities that contribute to the district's physical, mental, and environmental wellbeing, enhancing quality of life, and making Waitaki attractive to existing and prospective residents and businesses.
- By providing recreational spaces that meet the needs of the wider community and cultural and recreation/sport groups.
- By meeting industry standards and providing opportunities for people to feel safe while being active and to connect the community through sport and recreation.



### Prosperous District

- By providing facilities that contribute to the attractiveness of the district and create opportunities for new businesses, for example, tour operators, sports events, and accommodation.



### Valued Environment

- By providing natural environment and greenspaces that are attractive to the community and provide habitat for biodiversity.

## Performance measures

We have 7 performance measures, 2 of which were achieved, and 5 of which were not achieved:

There was a **19.27% increase** in visitors to the Waitaki Aquatic Centre (*Target = 1% increase in number of visits p.a.*).



#### Achieved

[2021-22 = 26% decrease].

**77%** of customers were satisfied with the Waitaki Aquatic Centre (*Target = 80%*).



#### Not achieved

[2021-22 = 78%]

**82%** of residents are satisfied with Waitaki's parks and reserves (*Target = 80%*).



#### Achieved

[2021-22 = 90%]

**62%** of residents are satisfied with the district's campgrounds (*Target = 70%*).



#### Not achieved

[2021-22 = 77%]

**70%** of residents are satisfied with Waitaki's sports fields and facilities (*Target = 80%*).



#### Not achieved

[2021-22 = 78%]

**76%** of residents are satisfied with the cemeteries in Waitaki (*Target = 80%*).



#### Not achieved

[2021-22 = 81%]

**65%** of residents are satisfied with the public toilets in the district (*Target = 70%*).



#### Not achieved

[2021-22 = 79%]



## 2022-23 highlights

The Alps 2 Ocean Cycle Trail celebrated its 10th anniversary in February 2023. As one of the first New Zealand Cycle Trails Ngā Haerenga Great Rides of New Zealand cycle trails to be developed, the A2O's 10th anniversary marked a significant milestone and provided an opportunity to recognise the efforts of all those involved in its development, and their ability to deliver such an incredible asset for the Waitaki District.

A new website was launched for the A2O Cycle Trail in October 2022. The website has improved the visibility of the A2O Cycle Trail, receiving an average of 7,000 web visitors per month since its launch, and provides a platform to communicate up-to-date information about trail safety and conditions. It also showcases the A2O's official partners and drives traffic to the official partners' websites.

A business case and funding application was submitted to the Ministry of Business, Innovation, and Employment (MBIE) in September 2022 to complete the vision for the A2O Cycle Trail to be a continuous off-road trail from Aoraki Mount Cook to Ōamaru.

Minor works were carried out at Council-owned camping grounds in 2022-23, including the provision of treated water for the Loch Laird, Wildlife, and Parsons Rock camping grounds. A temporary liquor ban was placed on Loch Laird over Labour Weekend in October 2022, which had the desired effect and will be used on an annual basis going forward.

Council continued to support the Waitaki Event Centre Trust in 2022-23 to move the Waitaki Event Centre project closer to becoming a reality. With a project target of \$32m, Council has increased its capital contribution to \$15m. With support from Network Waitaki, our benefactor, and many businesses, families, and individuals, we have funding of close to \$27m committed. Applications are being made to Otago Community Trust, Lotteries, and other trusts to cover the remaining gap. Three companies have been shortlisted for the design and build of the facility and have provided proposals which are currently being reviewed and assessed. A contract will be awarded once the remaining funding has been secured, with a detailed design and construction period expected of 24 months.





# Waste Management and Minimisation

We are focused on promoting and supporting waste minimisation in the district. Through different initiatives, we encourage people to recycle and protect the natural beauty of our environment.

## Our specific community outcomes are:



### Quality Services

- By providing access to affordable, reliable, accessible, and efficient waste disposal systems and facilities.
- By encouraging the provision of different waste disposal options by the private sector.



### Valued Environment

- By investigating options to mitigate the effects of landfills on the environment.
- By encouraging reduction, reuse, and recycling of waste.

## 2022-23 highlights

### Solid Waste

The Waitaki District is home to three coastal contaminated land sites which are in danger of slipping into the sea. Two fly-tipping (illegal dumping) sites on Beach Road near Awamoa Road, and the Hampden Closed Landfill. Council decided in 2022 to take a proactive approach to this situation by agreeing to action this project. Tenders were requested to excavate the waste, take it to the Palmerston Landfill, and manage the Palmerston Landfill through to its consent expiry and closure by October 2027. Council awarded the contract to a combined tender from Waste Management New Zealand and Fulton Hogan. The remediation work is expected to begin in January 2024.

We continued to provide financial support to the Waitaki Resource Recovery Trust (WRRT) to make sure their services are available to the community. Between July 2022 and June 2023, WRRT diverted a total 2,500 tonnes of waste. This equates to approximately 100kg of waste diverted per person in the district.

### Waste Minimisation

Council appointed an EnviroSchools Facilitator in early 2023 to work alongside our Waste Minimisation Officer, increasing Council's capability to foster awareness of waste reduction, sustainable resource-use, and environmental protection amongst youth. The increased EnviroSchools facilitation supports a deeper fostering of sustainability practices across schools in the Waitaki District and our rangatahi, which in turn provides for future wellbeing. Council's waste minimisation activities, including resourcing for a Waste Minimisation Officer and EnviroSchools Facilitator, are funded by grants received from the Ministry for the Environment.

Waste Free Waitaki branding was developed to help Waitaki's individuals to identify Council's work in waste minimisation. The branding will be used to roll out all waste minimisation initiatives, education, and projects.

## Performance measures

We have 3 performance measures, all of which were achieved:

**90%** of residents live within 25km of a transfer station, landfill, or recycling centre (*Target = Greater than 90% of residents*).

✓ **Achieved**  
[2021-22 = 97%]

**396kg** of waste was generated per person in Waitaki and received at the Ōamaru Refuse Transfer Station and Palmerston Landfill in 2022-23 (*Target = A 2.5% year-on-year reduction in the volume of waste generated per person*).

✓ **Achieved**  
[2021-22 = 521kg of waste was generated per person in Waitaki]

**103kg** per capita recycling and diversion were received by the Waitaki Resource Recovery Park (*Target = Increase of 5% year-on-year*).

✓ **Achieved**  
[2021-22 = 97kg per capita]



# Arts, Culture, and Community

This activity group covers the Waitaki District Libraries, Forrester Gallery, Waitaki Museum & Archive Te Whare Taoka o Waitaki, and the Ōamaru Opera House.

There are different ways we can celebrate our vibrant culture. Our cultural venues, the artists, events, and exhibitions they promote and attract are just some of the ways we can enjoy living in Waitaki.

## Our specific community outcomes are:



### Strong Communities and Quality Services

- By providing facilities and services that contribute to the quality of life of the district and make it attractive for people to live here.
- The library reflects the bicultural and multi-cultural diversity of the community through appointment practices, training, ongoing learning and development and provision of inclusive services to the community. The library collaborates with all service sector organisations in Waitaki.



### Prosperous District

- By growing the use of the Opera House for commercial events, providing work for contractors, hospitality, and accommodation providers.
- To support business development, the library provides space, information, and advice to local businesses.



### Valued Environment

- The library supplies resources, invites environmental specialists, and arranges displays around environmental issues and milestones.

## Performance measures

We have 14 performance measures, 12 of which were achieved, and 2 of which were not achieved. Below are some of the key performance measures:

**85%** of residents are satisfied with library services (*Target = 85%*).



### Achieved

[2021-22 = 92%]

**67%** of the population of the Waitaki District are members of the library (*Target = 60%*).



### Achieved

[2021-22 = 65%]

**87.5%** of schools in the Waitaki District are satisfied with the Gallery and Museum's educational activities and/or engagement (*Target = 80%*).



### Achieved

[2021-22 = 96%]

**86%** of residents are satisfied with the Ōamaru Opera House (*Target = 90%*).



### Not achieved

[2021-22 = 93%]

There were **153** community meetings held at the Ōamaru Opera House (*Target = Maintain or grow number of meetings year-on-year*).



### Achieved

[2021-22 = 114 meetings]



## 2022-23 highlights

### Waitaki District Libraries

Digital literacy remained a significant focus for Waitaki District Libraries in 2022-23 to facilitate digital inclusion and build community capability across the district.

With the support of the Rotary Club of Ōamaru, Waitaki District Libraries were able to develop a 'Maker Space' and launch monthly 'Maker Space Mondays,' where hands-on, educational sessions were held on technology-orientated activities, such as 3D printing, using Cricut machines, and learning to sew.

Work also began on developing a Te Āo Māori Collection, with an initial visit from Kaitiaki Mātauranga Māori from the Hocken Collections to assist with selecting books from our existing collections. Waitaki District Libraries received a donation of Te Ao Māori books from Te Takarangi Project, a Royal Society project, which celebrates Māori authors, publications, and scholarship. The collection has been gifted a name by mana whenua, 'Te Kahuraki,' meaning a treasured possession, something prized, precious, and honourable.



### Forrester Gallery, Waitaki Museum & Archive Te Whare Taoka o Waitaki

The Forrester Gallery presented a full programme of exhibitions in 2022-23. Exhibition highlights included *Rā Whānau: 40 Years of the Forrester Gallery*, *Rare and Unrivalled Beauty: Landscape Paintings from the Kelliher Art Trust Collection*, and *Zeitgeist: Works by Peter Cleverly*. A key focus for gallery staff was to fundraise and plan for stage two of the gallery extension. In June 2023, Lottery Environment and Heritage granted \$400,000 towards the extension project.

Work on stage two of the Cultural Facility Development Project on the Waitaki Museum & Archive was completed in 2022-23. Stage two of this project was supported by grants from the Otago Community Trust and Lottery Significant Projects Fund. After a gap of several years, the museum was able to return to a programme of temporary exhibitions as a result of the building work having been completed.

### Ōamaru Opera House

The Ōamaru Opera House gladly continued to experience a return to visitor numbers in 2022-23, as COVID restrictions continued to ease both nationally and internationally. More than 16,000 people came through the doors in 2022-23 to attend shows, events, conferences, and functions, or to enjoy the café and bar, use the bathroom facilities, or to simply appreciate the building itself. This was a 68% increase in visitor numbers since the 2021-22 financial year.

These are just some highlights from what was a very full and rich programme of work carried out by the Waitaki District Libraries, Forrester Gallery, Waitaki Museum & Archive, and Ōamaru Opera House in 2022-23.



# Council Controlled Organisations

Council currently has three wholly owned Council-controlled organisations (CCOs) operating within the Waitaki District.

These are Tourism Waitaki Ltd, Waitaki District Health Services Ltd Group, and Whitestone Contracting Ltd Group. The Waitaki Whitestone Geopark Trust is also an important part of Council's consolidated Group, as Council was instrumental in its establishment, and Council's financial support is critical to the Trust's continued operations.

The Ōmārama Airfield Ltd is 50% owned by Council and for reporting purposes is treated as a Joint Venture.

## Tourism Waitaki Ltd

Tourism Waitaki works to enable operators and communities to deliver original and engaging experiences within the Waitaki District.

Council is associated with and supports the Waitaki Whitestone Geopark Trust, which has been awarded the distinction of being New Zealand's first and only UNESCO Geopark, and Tourism Waitaki Ltd works closely with the Trust in the development of tourism and other opportunities in the area.

The vision of Tourism Waitaki Ltd is that visitors are drawn to explore the people and places of Waitaki, as defined by its rich natural heritage, unique geology, biodiversity, and geo-gastronomy.

Council's primary objective for continued ownership and control of Tourism Waitaki Ltd is to advance tourism within the district by fostering a positive, diverse, and sustainable tourism sector.

**Tourism Waitaki Ltd contribute to the following community outcomes:**

Community Outcomes	Community Wellbeings	How does Tourism Waitaki Ltd contribute to these?
<b>Prosperous District</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities.</li> <li>Support local businesses.</li> <li>Foster a diverse and resilient economy.</li> </ul>	<b>Economic</b>	<ul style="list-style-type: none"> <li>By creating a domestic campaign to draw visitors to the district.</li> <li>By being a resource for local operators and aspiring tourism businesses to obtain knowledge, data, and insights.</li> </ul>
<b>Strong Communities</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities.</li> <li>Promoting a greater voice for Waitaki.</li> </ul>	<b>Social and Cultural</b>	<ul style="list-style-type: none"> <li>By welcoming diverse viewpoints, cultures, stories, and experiences, and incorporating these into the tourist offering in the Waitaki District.</li> </ul>



## How did Tourism Waitaki Ltd do in 2022-23?

### Focus – Strengthen the Waitaki District’s brand awareness

Community Outcomes	Performance Measures	Service Targets (Year 2)	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Prosperous District</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities.</li> <li>Support local businesses.</li> <li>Foster a diverse and resilient economy.</li> </ul>	Marketing and promotion	Marketing plan incorporates MBIE-funded deliverables.	<b>Achieved</b>	<b>Achieved</b>
		Destination Management Plan (DMP).	<b>Achieved</b>	<b>Achieved</b> <i>DMP signed off August 2022.</i>
		Increase visitor numbers to the Ōamaru Blue Penguin Colony (ŌBPC).	<b>Not achieved</b> <i>Visitor numbers decreased.</i>	<b>Achieved</b> <i>Visitor numbers increased from 11,292 to 34,430.</i>
	Digital media	Use digital technology to promote the district.	<b>Partially achieved</b>	<b>Partially achieved</b>
	Operator surveys	Annual survey of local operators for insights and feedback.	<i>New measure in 2022-23.</i>	<b>Not achieved</b>
	Visitor surveys	Complete visitor surveys, grow Net Promoter Score (NPS).	<b>Achieved</b> <i>NPS increased.</i>	<b>Achieved</b> <i>NPS 82.3.</i>

### Focus – Be a trusted leader in tourism

Community Outcomes	Performance Measures	Service Targets (Year 2)	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Prosperous District</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities.</li> <li>Support local businesses.</li> </ul>	Manage the business in a financially sustainable manner.	Business has a budget and operates within budget.	<b>Achieved</b>	<b>Achieved</b> <i>Operating surplus better than budget.</i>
	Collaborate with Otago Regional Tourism Organisations (RTOs).	Support new regional developments, attend meetings as necessary.	<b>Achieved</b>	<b>Achieved</b>
	Partner with Te Manahuna Destination Management projects.	Support joint initiatives with Mackenzie Destination Management Plan.	<i>New measure in 2022-23.</i>	<b>Not achieved</b>
<b>Prosperous District</b> <ul style="list-style-type: none"> <li>Support local businesses.</li> </ul>	Be a resource for local operators and aspiring tourism businesses to obtain knowledge, data, and insights.	Hold operator workshops twice a year.	<b>Partially achieved</b>	<b>Partially Achieved</b> <i>One event held in August 2022.</i>
	Share industry updates.	Issue quarterly updates.	<i>New measure in 2022-23.</i>	<b>Achieved</b>
	Promote district activities.	Install displays at the Ōamaru Blue Penguin colony.	<i>New measure in 2022-23.</i>	<b>Achieved</b>



## Focus – Tourism elevates community pride

Community Outcomes	Performance Measures	Service Targets (Year 2)	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Prosperous District</b> <ul style="list-style-type: none"> <li>• Attractive to new opportunities.</li> <li>• Support local businesses.</li> </ul>	Create robust and trusted relationships with operators and communities.	Engage with Waitaki Tourism Association, attend meetings.	<b>Achieved</b>	<b>Achieved</b>
	Meet with iwi, tourism operators, and businesses.	Regular meetings to emphasise Destination Management Plan (DMP) and support local opportunities.	New measure in 2022-23.	<b>Not achieved</b>
<b>Prosperous District</b> <ul style="list-style-type: none"> <li>• Attractive to new opportunities.</li> <li>• Support local businesses.</li> <li>• Foster a diverse and resilient economy.</li> </ul>	Develop a Destination Management Strategy for the Waitaki District.	Incorporate this Strategy in a DMP during 2022-23.	<b>Achieved</b>	<b>Achieved</b> <i>Signed off in August 2022.</i>

## General notes

The Company received an unqualified audit report for the year ended 30 June 2023 on 18 October 2023. A full copy of the Company's Annual Report is available at the Company's offices.



## Waitaki District Health Services Ltd Group

The principal objective of Waitaki District Health Services Ltd Group is to operate a successful healthcare business by providing services to meet the healthcare needs of the Waitaki District community.

The Company was instrumental in the establishment of, and has supported, the Observatory Village Charitable Trust Group, which has developed and operates a significant retirement village complex in Ōamaru and includes that entity's operations as part of its consolidated group.

Waitaki District Health Services Ltd Group also works to ensure services are clinically excellent, financially sustainable, and delivered by staff working in safe working environments.

Council's primary objective for continued ownership and control of Waitaki District Health Services Ltd Group is to ensure the healthcare needs and interests of the district are met through the provision of quality, locally based healthcare services.

The Group comprises Waitaki District Health Services Ltd, Waitaki District Health Services Trust, and Observatory Village Charitable Trust Group (including the Trust, Observatory Village Lifecare Ltd, and Observatory Village Care Ltd).

### Waitaki District Health Services Ltd Group contributes to the following community outcomes:

Community Outcomes	Community Wellbeings	How does Waitaki District Health Services Ltd Group contribute to these?
<b>Quality Services</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of.</li> </ul>	<b>Social</b>	<ul style="list-style-type: none"> <li>By maintaining and improving the range and quality of health care services in the district.</li> </ul>
<b>Strong Communities</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities.</li> </ul>	<b>Social</b>	<ul style="list-style-type: none"> <li>By providing adequate standards of care and services to patients.</li> <li>By providing services within budgets.</li> <li>By employing qualified health professionals.</li> </ul>



## How did Waitaki District Health Services Ltd Group do in 2022-23?

### Focus – Our local hospital provides a high standard of service

Community Outcomes	Performance Measures	Service Targets	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Quality Services</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of.</li> </ul> <b>Strong communities</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities.</li> </ul>	Fulfilment of all professional and technical standards.	All employed regulated health professionals hold current Annual Practising Certificates.	Achieved	Achieved
<b>Strong communities</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities.</li> </ul>	Ensure adequate standards of care and services are maintained to the Company's patients.	Maintain a Quality Assurance Programme.	Achieved	Achieved
<b>Strong communities</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities.</li> </ul>	Compliance with performance targets and service standards under Te Whatu Ora contract.	Meet all service standards.	Achieved	Achieved

### Focus – Our local hospital works with stakeholders

Community Outcomes	Performance Measures	Service Targets	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Strong communities</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities.</li> </ul>	Communicate to staff and the wider community as and when necessary.	A minimum of two health forums annually.	Achieved	<b>Not Achieved</b> <i>No health forums were held.</i>
<b>Strong communities</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities.</li> </ul>	Maintain and improve the range and quality of health care services in the district.	Work with Stronger Waitaki and other groups to improve the health and wellbeing of our community.	Achieved	Achieved
<b>Quality Services</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of.</li> </ul>	Active engagement with health reforms.	Actively engage with upcoming health reform processes to maximise opportunities for improved health services.	Achieved	Achieved

### Focus - Our local hospital is well managed

Community Outcomes	Performance Measures	Service Targets	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Strong communities</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities.</li> </ul>	Percentage of planned services provided within budget.	Operate within budgeted income from Te Whatu Ora and other contracted sources.	<b>Not Achieved</b>	Achieved
<b>Quality Services</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of.</li> </ul>		Achieve a breakeven or better result after provision for depreciation.	<b>Not Achieved</b>	<b>Not Achieved</b> <i>Operating deficit was greatly improved on prior year.</i>
		Update the business plan.	Achieved	Achieved



## Waitaki District Health Services Trust

Community Outcomes	Performance Measures	Service Targets	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Strong communities</b> • Enable safe and healthy communities.	Fund purchases of property and equipment for health services in Ōamaru.	Provide financial assistance as required.	<b>Achieved</b>	<b>Not Achieved</b>
<b>Quality Services</b> • Community facilities and services we are proud of.	Fund the provision of health services within the district.	Provide financial assistance as required.	<b>Achieved</b>	<b>Achieved</b>

## Observatory Village Charitable Trust Group

### Observatory Village Charitable Trust

Performance Measures	Service Targets	Achievements	
		2021-22 (Year 1)	2022-23 (Year 2)
Use the Trust fund to further the charitable purposes of providing housing and care services for the aged and infirm.	Assist groups providing or promoting such services within the Waitaki District.	<b>Achieved</b>	<b>Achieved</b> <i>Continued development and expansion of the Observatory Village facilities.</i>
Make grants / gifts towards the advancement of education related to the provision of health and disability services.	Identify and work with groups to achieve benefit for those groups and the wider community.	<b>Not Achieved</b>	<b>Not Achieved</b> <i>No grants were provided during the year.</i>

### Observatory Village Lifecare Ltd

Performance Measures	Service Targets	Achievements	
		2021-22 (Year 1)	2022-23 (Year 2)
Oversee and manage the successful development of the village complex.	Progress construction towards completion as per tender documents and contractual arrangements.	<b>Achieved</b>	<b>Achieved</b> <i>14 villas completed, five under construction.</i>
Ensure the retirement village operates on budget.	The retirement village meets operating budgets.	<b>Achieved</b>	<b>Achieved</b> <i>Budget met despite increased insurance costs.</i>
Adequate and appropriate funding is available to complete the project within agreed timeframes and budgets.	Cashflow and projections are continually monitored.	<b>Achieved</b> <i>New loan agreement, principal repayments deferred for two years.</i>	<b>Achieved</b> <i>Despite delayed settlement on some sales.</i>
Report regularly to the Trust in terms of annual plan, performance targets and insurances.	Arrange four meetings annually to obtain sign-off from Trustees.	<b>Achieved</b>	<b>Achieved</b>
Support initiatives for housing and the care of the elderly.	Consider design options, meet regularly with residents.	<b>Achieved</b>	<b>Achieved</b> <i>Created new designs for a lower-priced villa, new apartment block to be built. Bimonthly meetings are held with residents.</i>
Promote and market the retirement village to secure high occupancy levels.	Maintain the village interest list.	<b>Achieved</b>	<b>Achieved</b> <i>New apartment block will reduce pressure from the waiting list.</i>



## Observatory Village Care Ltd

Performance Measures	Service Targets	Achievements	
		2021-22 (Year 1)	2022-23 (Year 2)
Develop, monitor, and achieve a suite of KPIs.	A range of KPI measures have been developed.	<b>Partially achieved</b> <i>All achieved except for staff turnover which was still within industry standards of 29% per the NZ Aged Care Association.</i>	<b>Partially achieved</b> <i>All achieved except for staff turnover which was still within industry standards of 29% per the NZ Aged Care Association.</i>
Delivery of care to rest home and hospital level residents maintained at the highest of industry standards.	Achieve / maintain certification with Ngā Paerewa Health and Disability Services Standard.	<b>Achieved</b>	<b>Achieved</b> <i>Audited against newly adopted Ngā Paerewa Health and Disability Services Standard. Occupancy of the facility was 98.4% (industry average: 86.1%).</i>
Chattels and assets maintained to highest standards.	Undertake regular reviews and maintenance programmes.	<b>Achieved</b> <i>All required maintenance completed.</i>	<b>Achieved</b> <i>All maintenance is completed in a timely manner using quality goods and services from reputable companies.</i>
Report regularly to the Trust in terms of annual plan, performance targets and insurances.	Arrange four meetings annually to obtain sign-off from Trustees.	<b>Achieved</b>	<b>Achieved</b>

## General notes

The Waitaki District Health Services Ltd Group received an unqualified audit report for the year ended 30 June 2023 on 5 October 2023. A full copy of the Company's Annual Report is available at the Company's offices.



# Whitestone Contracting Ltd

The purpose of Whitestone Contracting Ltd is to be a reputable and trusted contractor, supporting local employment, the environment, and the community, while maximising profit and performance.

Council's objectives for continued ownership and control of Whitestone Contracting Ltd include:

- Stimulating a competitive contracting sector in our district.
- Supporting local opportunities for a diverse labour market.
- Obtaining a good return on investment, commensurate with the business risks of Whitestone Contracting Ltd and the risk appetite of Council.

## Whitestone Contracting Ltd contributes to the following community outcomes:

Community Outcomes	Community Wellbeings	How does Whitestone Contracting Ltd contribute to these?
<b>Quality Services</b> <ul style="list-style-type: none"> <li>• Robust core infrastructure and services</li> <li>• Community facilities and services we are proud of.</li> </ul>	<b>Social</b>	<ul style="list-style-type: none"> <li>• By operating the business efficiently and effectively, providing a financial benefit to Council.</li> <li>• By maintaining a high standard of health and safety.</li> </ul>
<b>Strong Communities</b> <ul style="list-style-type: none"> <li>• Enabling safe, healthy communities.</li> </ul>	<b>Social</b>	<ul style="list-style-type: none"> <li>• By supporting community initiatives.</li> </ul>
<b>Valued Environment</b> <ul style="list-style-type: none"> <li>• Protecting our diverse landscapes and water bodies.</li> <li>• Meeting environmental and climate change challenges.</li> </ul>	<b>Environmental</b>	<ul style="list-style-type: none"> <li>• By complying with the Resource Management Act 1991.</li> <li>• By maintaining the ISO 14001 standard.</li> </ul>

## How did Whitestone Contracting Ltd do in 2022-23?

Community Outcomes	Performance Measures	Service Targets	Achievements 2021-22 (Year 1) 2022-23 (Year 2)	
<b>Quality Services</b> <ul style="list-style-type: none"> <li>• Robust core infrastructure and services.</li> <li>• Community facilities and services we are proud of.</li> </ul>	Before income tax return on opening shareholders' funds.	A pre-tax return (prior to donations, sponsorships, and subvention payments) that exceeds 8% on opening shareholders' funds.	<b>Not achieved</b> 3.88% (due to COVID).	<b>Not achieved</b> 3.72% (trading environment, holding costs prior to starting new contracts, tight labour market).
<b>Strong communities</b> <ul style="list-style-type: none"> <li>• Connected, inclusive communities.</li> </ul>	Support community initiatives.	Over \$50,000 of sponsorship per annum.	<b>Achieved</b>	<b>Achieved</b>
<b>Quality Services</b> <ul style="list-style-type: none"> <li>• Robust core infrastructure and services.</li> <li>• Community facilities and services we are proud of.</li> </ul>	Maintenance of the relevant quality standards.	Maintain ISO 9001 registration and related quality assurance programmes.	<b>Achieved</b> <i>Maintained</i>	<b>Achieved</b> <i>Maintained</i>
		Maintain ISO 14001 standard to meet environmental, legislative, and regulatory requirements.	<b>Achieved</b> <i>Maintained</i>	<b>Achieved</b> <i>Maintained</i>



Community Outcomes	Performance Measures	Service Targets	Achievements	
			2021-22 (Year 1)	2022-23 (Year 2)
<b>Quality Services</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services.</li> <li>Community facilities and services we are proud of.</li> </ul>	Compliance with Resource Management Act 1991.	Full compliance with Resource Management Act 1991 (no breaches).	<b>Achieved</b>	<b>Achieved</b>
<b>Valued Environment</b> <ul style="list-style-type: none"> <li>Protecting our diverse landscapes and water bodies.</li> </ul>	Toitū Envirocare accreditation scheme.	Achieve and maintain certification.	<b>Achieved</b>	<b>Achieved</b>
<b>Quality Services</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services.</li> <li>Community facilities and services we are proud of.</li> </ul>	Maintain a high standard of health and safety in relation to WCL's employees, customers, suppliers, subcontractors, and the public.	Maintain ISO 45001 safety management systems accreditation.	<b>Achieved</b> <i>Maintained.</i>	<b>Achieved</b> <i>Maintained.</i>
		Maintain injury frequency rate no greater than 2 per 200,000 / 10 per million hours worked.	<b>Not achieved</b> <i>Injury frequency rate was 5.94.</i>	<b>Achieved</b> <i>No injuries recorded.</i>
<b>Quality services</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services.</li> <li>Community facilities and services we are proud of.</li> </ul>	Rate of shareholders' funds to total assets.	Rate of shareholders' funds to total assets >40%.	<b>Achieved</b>	<b>Achieved</b>

## General notes

The Company received an unqualified audit report for the year ended 30 June 2023 on 29 August 2023. A full copy of the Company's Annual Report is available at the Company's offices.



## Ōmārama Airfield Ltd

The purpose of Ōmārama Airfield Ltd is to provide airfield facilities to support flying and gliding opportunities in the Ōmārama area, including public access to airfield facilities, recreational flying activities, commercial operations, and conducting competitions and sporting events.

Council's primary objective for continued involvement in the ownership and operation of the company is to advance and promote tourism and provide economic benefits and opportunity in the district. Council accounts for its 50% ownership of Ōmārama Airfield Ltd as a joint venture, recording changes in the value of its investment within its own operating results rather than consolidating the business within the Group.

### Ōmārama Airfield Ltd contributes to the following community outcomes:

Community Outcomes	Community Wellbeings	How does Ōmārama Airfield Ltd contribute to these?
<b>Quality Services</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of.</li> </ul>	<b>Social</b>  <b>Economic</b>	<ul style="list-style-type: none"> <li>By maintaining, operating, and providing planned services within budgeted income.</li> <li>By enhancing the economic benefits of the Ōmārama and Ahuriri communities from the operation and development of the airfield.</li> </ul>

### How did Ōmārama Airfield Ltd do in 2022-23?

Performance Measures	Service Targets	Achievements	
		2021-22 (Year 1)	2022-23 (Year 2)
Maintain, operate and provide planned services within budgeted income.	Operate and provide planned services within budgeted income.	Not Achieved	Not Achieved
	Achieve a break-even or better result after prudent provision for depreciation and asset replacement expenditure, and future trading requirements.	Not Achieved	Not Achieved <i>Actual loss exceeded budgeted deficit by \$12,948 despite increased revenue.</i>
	Update the business plan annually.	Achieved	Achieved
Measure the economic benefits of operation and development of the airfield to the Ōmārama and Ahuriri communities.	Maintain or improve economic benefits to the community.	Achieved	Achieved <i>Supports tourism in the district, employment opportunities.</i>
	Undertake subdivision activity to provide a cash reserve to secure the airfield's future operations.	New measure in 2022-23.	Achieved <i>Consents obtained, sales will start when works are finished November 2023.</i>

### General notes

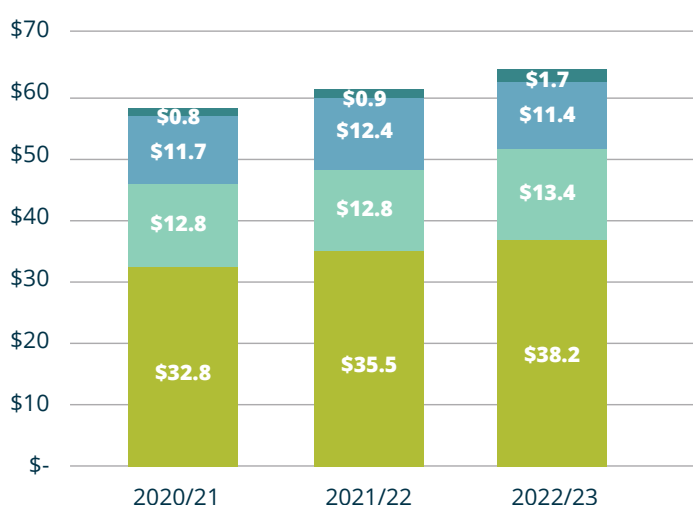
The Company received an unqualified audit report for the year ended 30 June 2023 on 30 September 2023. A full copy of the Company's Annual Report is available at the Company's offices, and a summary of the company's financial statements appears as part of Note 14 – *Interest in Joint Venture*.



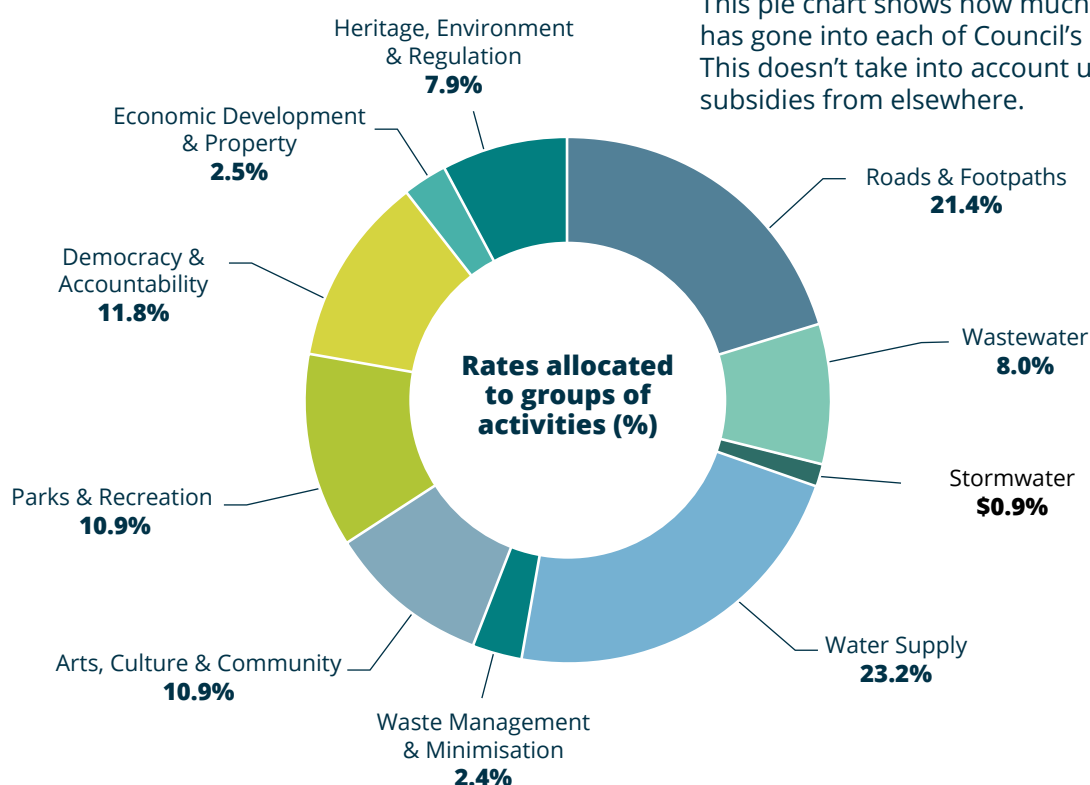
# Financial overview

Council funds services such as roads, libraries, swimming pools, parks, playgrounds and water supply. While a lot of money for these services is raised through rates we also receive income from user charges, such as swimming pool entry fees, government subsidies and interest from investments.

Council Income (\$ million)



This graph shows the sources of Council's income over the last three years.



This pie chart shows how much rates funding has gone into each of Council's activities. This doesn't take into account user charges and subsidies from elsewhere.



**Council's financial position is sound, despite reporting both a significant operating deficit, and increased external debt during the year. Asset values have been maintained and investments in infrastructure and local enterprises have increased over the period under review.**

Five out of Council's 10 major activity groups have recorded results better than budget (2022: three), while five have not performed as expected (2022: seven).

The year was a challenging one for Council. As inflation took hold of the national economy, Council saw contractors' costs and the costs of other essential services, such as insurance, electricity, and fuel rise beyond the levels anticipated when setting the budgets for the 2022-23 Annual Plan.

Council's Democracy & Accountability activity was impacted by increased costs of debt servicing, by the deferral of key capital projects, such as the Waitaki Event Centre, which

affected overhead recoveries, and by external charges related to the Transformation Programme, which looks forward to Council as it will be after the Affordable Water Reform is implemented.

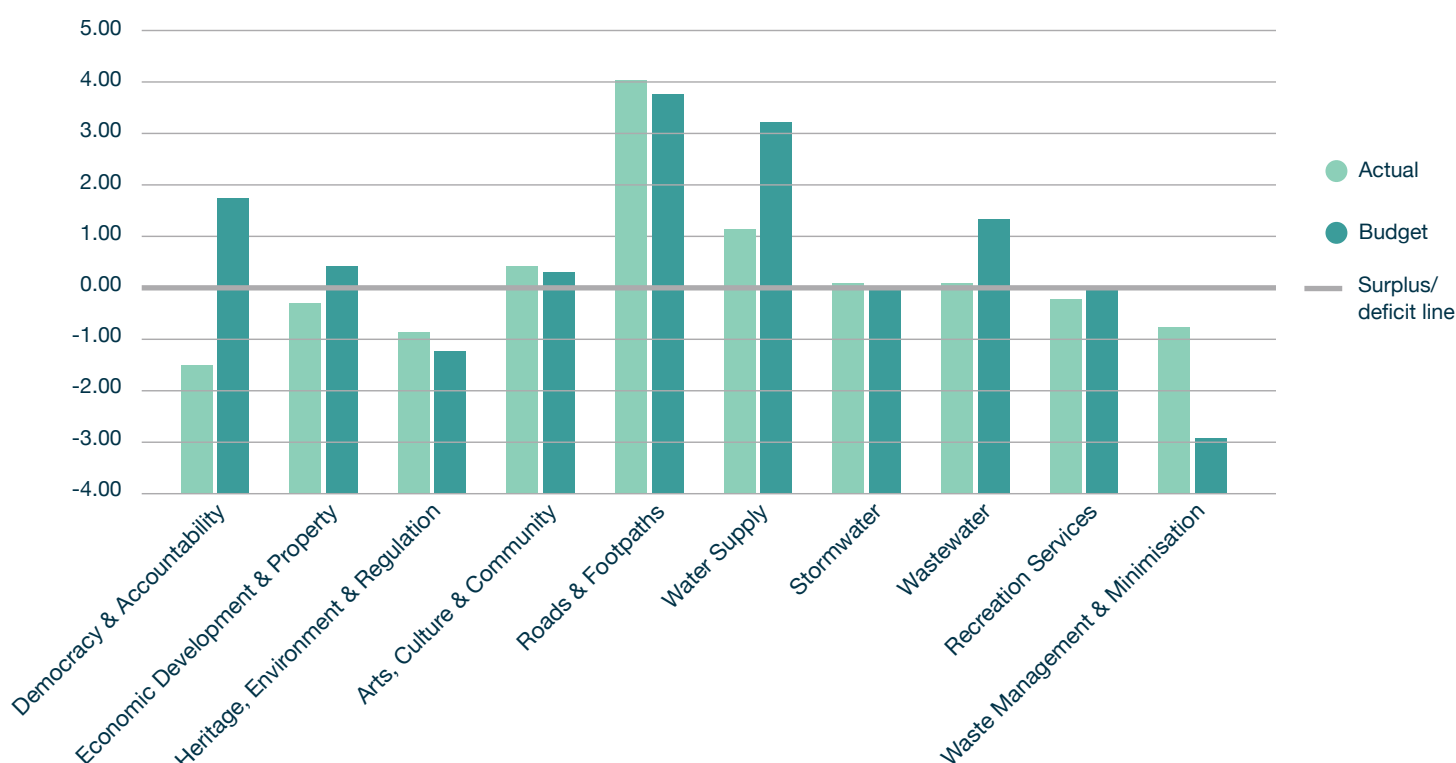
Council's Property Management & Investment activity was affected by emergency repairs to the Alps 2 Ocean Cycle Trail, the continuation of upgrades to Council's community housing to ensure compliance with Healthy Homes legislation, and refurbishment of units in Palmerston after a fire.

Council's Roads & Footpaths activity received additional funding to meet increased costs related to emergency works arising from adverse weather events.

Council's Water Supply and Wastewater activities and, to a lesser extent, Parks & Recreation, were impacted by the effects of general inflation on operating costs, including contractors and electricity.

Council's Waste Management & Minimisation activity benefited from delays in commencing the relocation of the former Hampden Landfill to Palmerston. Much of the budgeted costs associated with this work relate to the surrender of carbon credits, which now may not be required.

**Activities - Actual Operating Surplus vs Budget (\$ million)**





# Summary of financial statements

	Waitaki District Council Only			Consolidated Group	
	Actual 2023	Budget 2023	Actual 2022	Actual 2023	Actual 2022
All in \$'000					
<b>A Summary of the Statement of Comprehensive Revenue and Expense</b> for the year ended 30 June 2023					
<b>Income</b>					
Rates Revenue	38,157	38,109	35,516	37,982	35,352
Other Revenue	26,137	31,594	24,453	71,426	66,093
Assets vested in Council	659	-	1,594	659	1,594
<b>Total Income</b>	<b>\$64,953</b>	<b>\$69,703</b>	<b>\$61,563</b>	<b>\$110,067</b>	<b>\$103,039</b>
<b>Expenditure</b>					
Activity Expenditure	73,617	63,552	58,457	117,817	101,554
Finance cost	1,330	810	299	1,598	513
Other Losses / (Gains)	1,221	-	1,726	(822)	690
<b>Total Expenditure</b>	<b>\$76,168</b>	<b>\$64,362</b>	<b>\$60,482</b>	<b>\$118,593</b>	<b>\$102,757</b>
Share of joint venture's surplus / (deficit)	(\$36)	-	\$121	(\$36)	\$121
Interest on LGFA Borrower Notes	\$23	17	\$5	\$23	\$5
<b>Surplus / (Deficit) from Operations</b>	<b>(\$11,228)</b>	<b>\$5,358</b>	<b>\$1,207</b>	<b>(\$8,539)</b>	<b>\$408</b>
Income Tax Expense / (Refund)	-	-	-	202	38
<b>Surplus / (Deficit) after tax</b>	<b>(\$11,228)</b>	<b>\$5,358</b>	<b>\$1,207</b>	<b>(\$8,741)</b>	<b>\$370</b>
Other Comprehensive Revenue and Expense	97,409	44,750	42,222	97,409	49,896
<b>Total Comprehensive Revenue and Expense</b>	<b>\$86,181</b>	<b>\$50,108</b>	<b>\$43,429</b>	<b>\$88,668</b>	<b>\$50,266</b>
<b>A Summary of the Statement of Changes in Equity</b> for the year ended 30 June 2023					
<b>Public Equity at 1 July</b>	1,063,254	1,040,000	1,019,825	1,100,760	1,050,494
Total Comprehensive Revenue and Expense	86,181	50,108	43,429	88,668	50,266
<b>Public Equity at 30 June</b>	<b>\$1,149,435</b>	<b>\$1,090,108</b>	<b>\$1,063,254</b>	<b>\$1,189,428</b>	<b>\$1,100,760</b>
<b>A Summary of the Statement of Financial Position</b> As at 30 June 2023					
<b>Public Equity</b>	<b>\$1,149,435</b>	<b>\$1,090,108</b>	<b>\$1,063,254</b>	<b>\$1,189,428</b>	<b>\$1,100,760</b>
Current Assets	11,701	9,833	10,609	22,386	21,704
Non-Current Assets	1,190,557	1,133,295	1,087,218	1,257,090	1,145,389
<b>Total Assets</b>	<b>\$1,202,258</b>	<b>\$1,143,128</b>	<b>\$1,097,827</b>	<b>\$1,279,476</b>	<b>\$1,167,093</b>
Current Liabilities	25,093	22,536	15,689	60,294	44,831
Non-Current Liabilities	27,730	30,484	18,884	29,754	21,502
<b>Total Liabilities</b>	<b>\$52,823</b>	<b>\$53,020</b>	<b>\$34,573</b>	<b>\$90,048</b>	<b>\$66,333</b>
<b>Net Assets</b>	<b>\$1,149,435</b>	<b>\$1,090,108</b>	<b>\$1,063,254</b>	<b>\$1,189,428</b>	<b>\$1,100,760</b>
<b>A Summary of the Statement of Statement of Cash Flows</b> For the year ended 30 June 2023					
Net Cash from Operating Activities	8,900	24,230	16,976	17,244	18,833
Net Cash from Investing Activities	(24,332)	(39,914)	(26,096)	(33,523)	(25,151)
Net Cash from Financing Activities	17,183	12,979	9,000	16,436	9,385
<b>Net Increase / (Decrease) in Cash</b>	<b>\$1,751</b>	<b>(\$2,705)</b>	<b>(\$120)</b>	<b>\$157</b>	<b>\$3,067</b>
Total Cash Resources at 1 July	2,060	3,890	2,180	\$6,649	3,582
<b>Total Cash Resources at 30 June</b>	<b>\$3,811</b>	<b>\$1,185</b>	<b>\$2,060</b>	<b>\$6,806</b>	<b>\$6,649</b>



# Notes to summary financial statements

The Waitaki District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002.

Council's financial statements are for the Waitaki District Council as a separate entity. The Waitaki District Council group consists of the Waitaki District Council and its subsidiaries, Whitestone Contracting Ltd (100% owned) (whose group includes three non-trading subsidiaries), Waitaki District Health Services Ltd (100% owned), Tourism Waitaki Ltd (100% owned), and the Waitaki Whitestone Geopark Trust.

Council's investment in Ōmārama Airfield Ltd (50% owned) is treated as a joint venture.

All companies are incorporated in New Zealand.

Council was involved in related party transactions with each of its group members, details of which are included in the full Annual Report.

Council's 2022-23 Annual Report, from which this summary has been extracted, was adopted by Council on 19 December 2023.

The Annual Report has been audited, and received a qualified audit opinion in relation to the comparative year carrying value of the property, plant and equipment, and the current year asset revaluation movement. This was because a fair value assessment was performed at 30 June 2022, including obtaining advice from an independent expert infrastructure valuer, to gain assurance that the fair value was not materially different from the carrying amount.

This exercise revealed that Council's infrastructure assets have likely increased markedly in value and a full revaluation should be undertaken, but this was not done due to time, costs and resource constraints.

The audit opinion also includes a matter of emphasis in reference to uncertainty over the water services reform programme.

The full Annual Report document may be viewed at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

This summary complies with PBE FRS-43: Summary Financial Statements but is a summary only and cannot be expected to provide a full explanation or the same level of understanding as the full Annual Report. The financial statements contained in the Annual Report were prepared in accordance with Tier 1 PBE accounting standards, and so comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and with the requirements of the Local Government Act 2002. They are prepared in New Zealand Dollars, and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated.

## **Variances between 2023 actual results and the 2023 Annual Plan and 2022 actual results**

Actual results for 2023 reported in Council's 2022-23 Annual Report have varied, both from budget and from results reported for the previous period, for several reasons. Significant variances are summarised

below, and more information is provided in Note 33 in the full Annual Report:

Grant revenue from both Government and other sources, was under budget due to delays in progressing the proposed Waitaki Event Centre beyond the initial planning phase, but Council did receive grants to assist in the recovery from significant damages resulting from adverse weather events in July 2022.

Dividends received were below budget because of difficult trading conditions encountered by Whitestone Contracting Ltd as a result of the COVID pandemic, but were much improved on the amount received in 2022 as the company continues to recover. Other gains and losses included losses on disposal and write-off of fixed assets amounting to \$1.221million.

Personnel costs exceeded those reported in the previous period, due to increased staff numbers as part of a strategy to reduce reliance on external service providers, but were below budget due to unfilled vacancies. However delays in progressing key capital projects resulted in recoveries below budget levels for the year.

Increased depreciation and amortisation expense resulted from the triennial revaluation of Council's roading, bridges and footpaths infrastructure.



## Effects of the COVID-19 Pandemic

In March 2020, the World Health Organisation declared the novel coronavirus, COVID, to be a pandemic. The COVID pandemic substantially reduced economic activity on a global scale, and lockdowns imposed by the New Zealand Government at Levels 3 and 4 in 2020, and again in August/September 2021, caused significant financial and other issues for Council, its communities, and members of its consolidated group, which have continued to affect Council and the group to a limited extent in the 2022-23 financial year.

### Council

Total revenue improved over 2022. Ongoing impacts in 2023 have adversely affected parking revenue as Council has continued to provide free parking until 10am on business days in the Ōamaru CBD. Revenue for the Ōamaru Opera House has recovered as touring shows re-start following the pandemic, and patronage improves.

### Effects on Group Members:

#### Tourism Waitaki Ltd

The company has rebounded following the reopening of the borders and the easing of travel restrictions and recorded a healthy operating surplus in the 2023 financial year, due mainly to the successful operation of the Ōamaru Blue Penguin Colony and to reduced staffing levels.

#### Whitestone Contracting Ltd

The company reported an improved operating surplus for the 2023 financial year. Council received a dividend based on the 2022 operating result that was under budget due to COVID lockdowns, but the company has maintenance and civil engineering contracts which are on-going and can draw on

banking facilities as needed to meet short term funding needs.

#### Waitaki District Health Services Ltd Group

The hospital continued to provide a full range of health services during and since the pandemic, but some non-core services, particularly allied and community outreach services, were paused when lockdown levels greater than Level 1 were implemented. As a result, there has been no change to core health funding.

The Observatory Village Charitable Trust Group was unaffected by the COVID pandemic and continued to provide aged-care services at all levels of care. The Trust is expanding the retirement village through the construction of further villas and apartments.

#### Waitaki Whitestone Geopark Trust

The Trust was not impacted by the pandemic and has reported operating surpluses for both 2022 and the current financial year. Council is committed to supporting the enterprise now that it has been awarded the status of a UNESCO Global Geopark.

### Effects on Joint Venture Ōmārama Airfield Ltd

Usage of the company's facilities has returned to about pre-COVID levels. The joint venture reported an operating deficit for the current financial year that was larger than the budgeted deficit due to increased professional and audit fees, and increased depreciation arising from the revaluation of assets in 2022.

## Legislative breach

Section 98(4) of the Local Government Act 2002 requires that Council adopt its Summary Annual Report within 1 month after the adoption of its annual report. Council was unable to

meet this requirement for the year ended 30 June 2023 due to Christmas shutdown period and the Summary Annual Report was adopted on 13 February 2024.

## Events subsequent to balance date

### Affordable Water Reform

The New Zealand Government is implementing the Affordable Water Reform to ensure that all New Zealanders have access to safe, clean, and affordable water services.

In June 2022, legislation established four publicly owned water services entities to take over responsibilities for service delivery and infrastructure with effect from 1 July 2024.

On 13 April 2023, the Government increased the number of water services entities to ten and staggered the timing of the transfer of assets and liabilities to the entities.

Council elected to transition with the water services entity encompassing Canterbury and Westland Councils and to transfer its water-related assets and liabilities on 1 July 2025.

Under current legislation, from this date, Council will no longer deliver water-related services or own the assets required to deliver these services.

Following the general election held on 14 October 2023, a new coalition government was formed. As a result, there was uncertainty as to the future of Council's water, wastewater and stormwater services.

On 14 December 2023, the government announced its intention to introduce and pass legislation early next year to repeal and replace the existing Affordable Waters Reform legislation. The effect of this announcement on the Council is uncertain until such legislation is passed.



### **Observatory Village Lifecare Trust**

Subsequent to balance date, Council committed to provide additional financial support for ongoing development of the retirement village currently under construction through increasing the current loan facility by up to \$2,500,000 to be drawn down as required.

### **Ōmārama Airfield Ltd**

Subsequent to balance date, Council agreed to advance \$500,000 to the company to support both its financial sustainability and its subdivision activities which will increase available housing in the area.

### **Whalan Lodge Trust**

Subsequent to balance date, Council agreed to increase its committed loan funding by \$600,000 to assist the Trust in meeting increasing costs associated with the expansion and refurbishment of its aged care facility in Kurow.

### **Forrester Gallery extension**

Subsequent to balance date, the Government's Regional Culture and Heritage Fund announced approval of a grant of \$6,500,000 towards construction of a new wing for the Forrester Gallery. Construction is expected to commence mid-2024 and be opened in March 2026.

## **Contingent liabilities & commitments**

Waitaki District Council and the Group have a number of contingent liabilities which are detailed in Note 27 of the full 2022-23 Annual Report. These relate to:

- Council is a guarantor of the New Zealand Local Authority Funding Agency Ltd.
- Council's membership of the Local Authority Protection Programme.
- Council owns forestry and may potentially incur a future deforestation liability.
- Council is responsible for several closed landfills.
- Council self-insures a range of assets, and faces loss should those assets incur damage.
- Waitaki District Health Services Ltd has had complaints laid with the Health and Disability Commissioner.
- Waitaki District Health Services Ltd has still to determine the extent, if any, of underpaid employee remuneration.
- Whitestone Contracting Ltd has provided performance bonds whose release is subject to contractual conditions.

Council has not recognised a liability in the Statement of Financial Position in relation to these contingencies because either the quantum of the potential liability could not be calculated, or there is extremely low probability of the liability being enforced.

Council has committed capital expenditure amounting to \$9.154 million (2022: \$6.433 million)



# Independent Auditor's Report

## To the readers of Waitaki District Council's summary of the annual report for the year ended 30 June 2023:

The summary of the annual report was derived from the annual report of the Waitaki District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information of the District Council and Group on pages 10 to 25 and 38 to 41:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include explanatory information; and
- the summary statement of service performance (referred to as "Measuring our performance" in the summary annual report).

## Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

However, the summary financial statements include a limitation in scope to the equivalent extent as the full audited financial statements. This limitation is explained below in "*The full annual report and our audit report thereon*" section.

## Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

## The full annual report and our audit report thereon

We expressed a qualified audit opinion on the financial statements and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2023 in our auditor's report dated 19 December 2023. The basis for our qualified opinion on the financial statements is explained below.

***Financial statements: Our work was limited in relation to the comparative year carrying value of the District Council's revalued property, plant and equipment and the current year asset revaluation movement.***

As stated in the statement of accounting policies on page 143 to the full financial statements, the District Council measures certain classes of its property, plant and equipment assets at fair value. PBE IPSAS 17 *Property, Plant and Equipment* requires entities that measure assets at fair value to carry out revaluations with sufficient regularity to ensure that the revalued asset classes are not included in the financial statements at a value that is materially different to fair value.

Our audit opinion on the 30 June 2022 full financial statements was qualified because we considered that there was evidence that the collective carrying value of the District Council's water supply scheme, sewerage scheme, drainage scheme and roading and bridges assets as at 30 June 2022 materially differed from their fair value. However, because the District Council did not carry out a revaluation as at 30 June 2022, it was impracticable to determine the amount of any adjustment required.

As disclosed in note 10 to the full financial statements, the District Council revalued its roading and bridges assets as at 30 June 2023, resulting in a revaluation movement of \$97.4 million recognised in the statement of comprehensive revenue and expense for the year ended 30 June 2023. While the District Council did not revalue its water supply scheme, sewerage scheme and drainage scheme assets as at 30 June 2023, we have obtained sufficient audit evidence to support the Council's



assessment that there is no material difference between the carrying value and fair value of these asset classes as at 30 June 2023.

Whilst we obtained sufficient appropriate evidence over the roading and bridges assets valuation as at 30 June 2023, any misstatement of the carrying value of the District Council's revalued property, plant, and equipment as at 30 June 2022 would consequently affect the revaluation movement recognised in the full statement of comprehensive revenue and expense, and in the full statement of changes in equity for the year ended 30 June 2023.

As a result of the matters described above, we are unable to obtain sufficient audit evidence to support:

- the collective carrying value of the District Council's water supply scheme, sewerage scheme, drainage scheme and roading and bridges assets in the full statement of financial position as at 30 June 2022, reported as comparative information; and
- the asset revaluation movement for the year ended 30 June 2023, that has been recognised in the other comprehensive revenue and expense section of the full statement of comprehensive revenue and expense, and the full statement of changes in equity.

Information about this matter is also disclosed on page 39 of the District Council's summary annual report.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention

to the uncertainty over the Government's water services reform programme, as described in note 33 to the full financial statements.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.

On 14 December 2023, the Government announced its intention to introduce and pass legislation early next year to repeal and replace the "Three Waters" legislation. The effect of this announcement on the Council is uncertain until such legislation is passed.

Information about this matter is disclosed on page 40 of the summary annual report.

### **Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

### **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply

with PBE FRS-43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's Debenture Trust Deed. This limited assurance engagement is compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests, in the District Council or its subsidiaries and controlled entities.



**Rudie Tomlinson**  
**Audit New Zealand**  
**On behalf of the Auditor-General**  
**Dunedin, New Zealand**  
**13 February 2024**



